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t/a SouthPeak Games

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
(Richmond Division)**

In re:	)	
	)	Chapter 11
CIRCUIT CITY STORES, INC., et al.,	)	
	)	Case No. 08-35653-KRH
Debtors.	)	
	)	(Jointly Administered)
	)	
	)	

**MOTION OF SOUTHPEAK INTERACTIVE, LLC FOR PAYMENT OF  
ADMINISTRATIVE EXPENSE CLAIM AND NOTICE OF HEARING**

NOW COMES SouthPeak Interactive, LLC, t/a SouthPeak Games (“SouthPeak”), by and through its undersigned counsel, pursuant to Bankruptcy Code section 503(b), and moves the Court for allowance and payment of a Chapter 11 administrative expense claim (“Administrative Expense Motion”).

**JURISDICTION**

1. The Court has jurisdiction over this Administrative Expense Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of this Motion is proper under 28 U.S.C. §§ 1408 and 1409.

### **BACKGROUND**

2. SouthPeak is a retail supplier located in Midlothian, Virginia which provides, among other things, video games and other retail merchandise to merchants including Circuit City Stores, Inc. (“Circuit City”).

3. SouthPeak has provided retail merchandise to Circuit City and its predecessors or successors in interest since April 2008.

4. SouthPeak sold retail merchandise to Circuit City within twenty (20) days before the date of commencement of Circuit City’s Chapter 11 filing on November 10, 2008 (the “Petition”). Specifically, on October 28, 2008 and November 4, 2008, SouthPeak sold retail merchandise valued at \$184,757.76 to Circuit City. SouthPeak sent invoices to Circuit City for the merchandise, but Circuit City has not paid the invoices.

5. SouthPeak also provided retail merchandise to Circuit City after Circuit City filed the Petition. Specifically, from the Petition Date through January 8, 2009, SouthPeak provided Circuit City with \$107,075.52 in retail merchandise. SouthPeak sent invoices to Circuit City for the merchandise, but the entire balance of the invoices remains unpaid.<sup>1</sup> A Statement of Account is attached as Exhibit A.

6. The amount owed by Circuit City were actual, necessary costs and expenses of preserving Circuit City’s bankruptcy estates and are unsecured debts incurred by Circuit City in the ordinary course of business.

### **RELIEF REQUESTED**

7. Section 503(b)(9) of the Bankruptcy Code provides “the value of any goods received by the debtor within 20 days before the date of the commencement of a case under this

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<sup>1</sup> SouthPeak reserves the right to supplement this Administrative Expense Motion with additional amounts that become due after this Motion is filed.

title in which the goods have been sold to the debtor in the ordinary course of such debtor's business" shall be allowed as an administrative expense. 11 U.S.C. § 503(b)(9).

8. SouthPeak is entitled to a Chapter 11 administrative expense claim against the Debtors' bankruptcy estate pursuant to Section 503(b)(9) of the Bankruptcy Code for the value of the goods received on October 28, 2008 and November 11, 2008 because they were received within twenty days of the Petition date and SouthPeak sold the merchandise to Circuit City in the ordinary course of Circuit City's business.

9. SouthPeak filed a Section 503(b)(9) Claim Request Form on December 18, 2008 prior to the deadline for filing 503(b)(9) claims.

10. Section 503(b)(1) of the Bankruptcy Code provides that the "actual, necessary costs and expenses of preserving the estate, including . . . [costs] for services rendered after the commencement of the case" shall be allowed as an administrative expense. 11 U.S.C. § 503(b)(1)(A).

11. In the present case, SouthPeak is entitled to a Chapter 11 allowed administrative expense claim against the Debtors' bankruptcy estate pursuant to Section 503(b)(1)(A) of the Bankruptcy Code for the post-petition charges because SouthPeak supplied beneficial and valuable retail merchandise to Circuit City post-petition in the ordinary course of Circuit City's business. *See Devan v. Simon DeBartolo Group, L.P. (In re Merry-Go Round Enters., Inc.)*, 180 F.3d 149, 157 (4th Cir. 1999).

#### **WAIVER OF MEMORANDUM OF LAW**

12. SouthPeak respectfully requests that the Court treat this Motion as a written memorandum of points and authorities and waive any requirement that this Motion be

accompanied by a written memorandum of points and authorities as required by Local Bankruptcy Rule 9013-1(G).

### **CONCLUSION**

BASED UPON THE FOREGOING, SouthPeak respectfully requests that this Court enter an order: (i) granting the Motion; (ii) allowing SouthPeak a Chapter 11 administrative expense claim pursuant to Section 503(b)(9) of the Bankruptcy Code in the amount of \$184,757.76; (iv) allowing SouthPeak a Chapter 11 administrative expense claim pursuant to Section 503(b)(1)(A) of the Bankruptcy Code in the amount of \$107,075.52; and (v) granting such other and further relief as is just and proper.

### **NOTICE**

**TO: CIRCUIT CITY STORES, INC. et al.**

**PLEASE TAKE NOTICE** that on April 14, 2009 at 10:00 a.m., a hearing on the Motion of SouthPeak Interactive, LLC for Payment of Administrative Expense Claim will be held.

**YOUR RIGHTS MAY BE AFFECTED. YOU SHOULD READ THESE PAPERS CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY, IF YOU HAVE ONE IN THIS BANKRUPTCY CASE. (IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE).**

**IF YOU DO NOT WISH THE COURT TO GRANT THE MOTION, OR IF YOU WANT THE COURT TO CONSIDER YOUR REVIEW ON THE MOTION, YOU OR YOUR ATTORNEY MUST:**

- **FILE WITH THE COURT (UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA (RICHMOND DIVISION)), 701 EAST BROAD STREET, SUITE 4000, RICHMOND, VA 23219, A WRITTEN RESPONSE WITH SUPPORTING MEMORANDUM AS REQUIRED BY LOCAL BANKRUPTCY RULE 9013-1(H). UNLESS A WRITTEN RESPONSE AND SUPPORTING MEMORANDUM ARE FILED ON OR BEFORE APRIL 7, 2009 AT 10:00 A.M., THE COURT MAY DEEM ANY OPPOSITION WAIVED, TREAT THE MOTION AS CONCEDED, AND ISSUE AN ORDER GRANTING THE REQUESTED RELIEF WITHOUT FURTHER NOTICE OR HEARING. IF**

**YOU MAIL YOUR RESPONSE TO THE COURT FOR FILING, YOU MUST MAIL IT EARLY ENOUGH SO THE COURT WILL RECEIVE IT ON OR BEFORE THE DATE STATED ABOVE.**

- **ATTEND THE HEARING SCHEDULED TO BE HELD ON APRIL 14, 2009, AT 10:00 A.M. AT JUDGE HUENNEKENS' COURTROOM, 701 E. BROAD STREET, ROOM 5000, RICHMOND, VIRGINIA 23219.**

**IF YOUR OR YOUR ATTORNEY DO NOT TAKE THESE STEPS, THE COURT MAY DECIDE THAT YOU DO NOT OPPOSE THE MOTION AND MAY ENTER AN ORDER GRANTING THE MOTION.**

SOUTHPEAK INTERACTIVE, LLC t/a  
SOUTHPEAK GAMES

*/s/ W. Alexander Burnett*

By \_\_\_\_\_  
Counsel

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**CERTIFICATE OF SERVICE**

I hereby certify that on March 25th, 2009, a true and complete copy of the foregoing was filed and served electronically using the Court's ECF System, was sent by electronic mail to [circuitcityservice@mcguirewoods.com](mailto:circuitcityservice@mcguirewoods.com) and [project.circuitcity@skadden.com](mailto:project.circuitcity@skadden.com), and was sent by first class mail, postage prepaid, to the entities at the addresses indicated below:

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*/s/ W. Alexander Burnett*

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